

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Bky. No.: 04-43949
Chapter 11 Case

Ricky and Jan Anderson,

Debtors.

**NOTICE OF HEARING AND MOTION FOR ASSUMPTION OF NON
RESIDENTIAL REAL PROPERTY LEASES AND RELATED
AGREEMENTS**

TO: The Persons and entities specified in Local Rule 9013-3(a)(2) and non-debtor parties to leases and agreements.

1. The undersigned counsel for Debtors moves the Court for the relief requested below and gives notice of hearing.

2. The Court will hold a hearing on this motion at 10:00 a.m. on October 6, 2004, before the Hon. Robert J. Kressel in Bankruptcy Courtroom No. 8W, United States Bankruptcy Court, 300 South Fourth Street, Minneapolis, Minnesota 55415.

3. Any response to this motion must be filed and delivered not later than 10:00 a.m. on October 1, 2004 which is three days (excluding Saturdays, Sundays, and holidays) before the time set for the hearing, or filed and served by mail not later than September 27, 2004 which is seven days (excluding weekends and holidays) before the time set for the hearing. UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334, and Bankruptcy Rule 5005. This proceeding is a core proceeding. The petition commencing this Chapter 11 case was filed on July 15, 2004. The case is now pending in this Court.

5. This motion arises under 11 U.S.C. § 365(a); Bankruptcy Rule 2002 and Local Rule 2002-1 (b)(2). If necessary, the movant(s) will call Debtors or one of them as a witness at the hearing of this motion, to testify as to matters set forth below. This motion is filed under Bankruptcy Rule 9014 and Local Rules 9013-1; 9013-2 and 9013-3.

6. Debtors give notice of assumption as appropriate of the following leases and related agreements pursuant to 11 U.S.C. §365(d)(4) and 11 U.S.C. § 365(d)(2) and seek court approval:

Lessor (and in some instances spouse) or Lessee Name and Address (non-debtor party)	Description of Lease (acres are tillable acres)	Begins at Appendix Page No.
Chuck and Sue Henry 2523 Northridge Lane NE Rochester, MN 55906	68 acres of land leased to the debtors at \$160 per acre for a total of \$10,880 through 2004, then year to year. Holden farms has sublet this land.	1
David J. and Karen L. Finnegan 212 Elm Street Farmington, MN 55024	130.7 acres of land leased to the debtors at \$153.02 per acre for a total of \$20,000 through 2006, then year to year. Holden Farms has sublet this land.	2 (2 lease agreements)
Ervin and Shirley Spitzer 24464 County Road 37 Saint Charles, MN 55972	33 acres of land leased to the debtors at \$136.36 per acre for a total of \$4,500 through 2005. Holden Farms has sublet this land	4
Gary and Linda Heap 4853 Route 52 Minooka, IL 60447-9670	369.2 acres of land leased to the debtors at \$142.20 per acre for a total of \$52,500 through 2012. Holden Farms has sublet this land.	5
Holden Farms Inc. 401 So. Division, Suite B PO Box 257 Northfield, MN 55057	Holden Farms has rented 89.4 acres of the debtor's owned land at \$118.01 per acre for a total of \$10,550 through 2004	10

Lessor (and in some instances spouse) or Lessee Name and Address (non-debtor party)	Description of Lease (acres are tillable acres)	Begins at Appendix Page No.
Ivene Henry 2523 Northridge Lane NE Rochester, MN 55906	277 acres of land leased to the debtors at \$160 per acre for a total of \$44,320 through 2004. Holden Farms has sublet this land.	11
Larson Brothers 14424 Radisson Rd. NE Andover, MN 55304	381.6 acres of land leased to the debtors at \$145.83 per acre for a total of \$55,650 through 2004. Holden Farms has sublet this land.	12 (2 lease agreements)
Lawrence and Kathleen Putzier 112 W 5 th St Saint Charles, MN 55972	150.6 acres of land leased to the debtors at \$132.8 per acre for a total of \$20,000 through 2004. Holden Farms has sublet this land.	14
Lloyd and Linda Wiese 230 Edgeview Dr. Rollingstone, MN 55969	182 acres of land leased to the debtors at \$120.88 per acre for a total of \$22,000 through 2004. Starting 2005 the rent is \$25,500 annually (\$140.11/acre) Holden Farms has sublet this land.	16 (2 lease agreements)
Patty J. Buckbee 320 N Center St. P.O. Box 435 Utica, MN 55979	Elevator and Drying Site leased to debtor, Ricky A. Anderson for \$8,100 annually through 2006.	18
Robert and Mary Barta 325 7 th Ave SE Plainview, MN 55964	115 acres of land leased to the debtors at \$147.83 per acre for a total of \$17,000 through 2005, then year to year. Holden Farms has sublet this land.	25
Ron and Michelle Berndt Bluebird Acres 16948 County Road 4 Utica, MN 55979	60.8 acres of land leased by Ron Berndt to debtor Rick Anderson of Circle A Farms at \$82.24 per acre for a total of \$5,000 through 2005. Holden Farms has sublet this land.	26

Lessor (and in some instances spouse) or Lessee Name and Address (non-debtor party)	Description of Lease (acres are tillable acres)	Begins at Appendix Page No.
Roy Montgomery 520 Second St SE Plainview, MN 55964	62 acres of land leased to the debtors at \$190.32 per acre for a total of \$11,800 through 2006. Holden Farms has sublet this land.	27
Montgomery Realty Employees Pension Plan for the benefit of Roy Montgomery, Lessor 520 Second St. SE Plainview, MN 55964	79.4 acres of land leased to the debtors at \$52.90 per acre for a total of \$4,200 through 2006. Holden Farms has sublet this land.	33
Purdy and Minnie Wright 15833 Sandstone Drive Utica, MN 55979	63 acres of land leased to the debtors at \$79.60 per acre for a total of \$5,062.50 through 2004. Holden Farms has sublet this land.	40
Holden Farms Inc. 401 So. Division, Suite B PO Box 257 Northfield, MN 55057	Sublease and assignment document for 2004	41
Holden Farms Inc. 401 So. Division, Suite B PO Box 257 Northfield, MN 55057	Lease modified prior to filing to be limited to manure removal provisions.	42

True copies of the described leases and agreements are located at the indicated appendix page number.

7. The above leases are necessary for an effective reorganization and have been considered in developing a cash flow projection and plan of reorganization. The debtors also believe that the terms are reasonable. These leases are important because the history of the operation has been to farm approximately that amount of acres. They also affect the current crop year in most instances. Debtors plan to be in a position to have operating funds for 2005. With that in mind, the subleases to Holden Farms would not be continued in 2005 but would be for the year 2004 only.

Wherefore, the undersigned counsel for Debtors moves the Court for an order authorizing the assumption of the leases as indicated and granting such further relief as may be appropriate.

Dated: September 13, 2004.

/e/ Brian L. Boysen

Brian L. Boysen, #0010522, of Counsel to

Kurt M. Anderson # 2148

Attorney for Debtor

P.O. Box 2434

Minneapolis, Minnesota 55402-0434

(612) 333-3185

VERIFICATION

We hereby declare under penalty of perjury that we have read the foregoing motion; and that the facts stated therein are true and correct.

Executed on: 9-13-04

Ricky Arthur Anderson
Ricky Arthur Anderson

Executed on: 9-13-04

Jan Lee Anderson
Jan Lee Anderson

FARM LEASE

January 2, 2004

This lease agreement is between Chuck and Sue Henry as lessors, and Rick and Jan Anderson as lessees. The term of this lease is 1-1-2004 thru 12-31-04 and continue from year to year unless written notice is delivered by either lessor or lessee to the other on or before 10-30 each year.

Rick/Jan Anderson agree to lease 68 acres from Chuck and Sue Henry @ \$160 per acre for a total of \$10,880 payable as follows:

* \$10,880 payable to Chuck Henry on or before 2-15-2004 and subsequent years.

Rick/Jan Anderson agree not to sell or remove any crop residue such as; corn silage, hay or straw. All crop residue is the property of Chuck and Sue Henry.

Rick/Jan Anderson are to receive any and all PFC, MLA, LDP or any other government payments earned by the portion they operate of farm #5817 for the crop year 2004 and subsequent years.

Rick/Jan Anderson agree to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices.

The Henry's (Chuck and Sue) agree to maintain, and provide proof of such, a farm liability policy; to protect the Anderson's crops from animal damage.

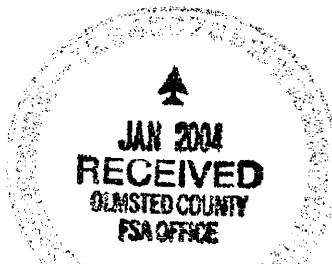
Both parties recognize the possibility of manure being applied, in agronomic manners and rates. With the applying parties to be responsible for any crop damages resulting.

Rick Anderson 1/5/04
Rick Anderson / date

Chuck Henry 1-5-04
Chuck Henry / date

Jan Anderson 1-5-04
Jan Anderson / date

Sue Henry 1-5-04
Sue Henry / date
by @8H



Tramont

FARM LEASE

November 21, 2003

This lease is between David J. and Karen L. Finnegan as lessors, and Rick and Jan Anderson as lessees. The term of this lease is three crop years from and after November 2003 thru December 31, 2006. This lease is to continue from year to year, unless written notice is delivered by either lessor or lessee to the other on or before 10-30 each year.

Rick and Jan Anderson agree to lease all tillable acres from David and Karen Finnegan on FSA farm #964 / The South Half of Northeast Quarter, Northwest Quarter of Southeast Quarter of Section 9 in Utica Township(105) of Winona County / for a total of \$8,500 per year payable as follows:

- * \$4,250 payable to the Finnegan's on or before 4-01-2004 and subsequent years.
- * \$4,250 payable to the Finnegan's on or before 11-01-2004 and subsequent years.

The Anderson's are to receive any and all PFC, MLA, LDP or any other government payments earned by farm #964 for the crop year 2004 and subsequent years.

The Anderson's agree to farm in a responsible manner (maintaining weed control, etc.); maintaining approved soil conservation guidelines and practices.

Both parties recognize the possibility of manure being applied, in agronomic manners and rates. The applying parties will be responsible for any crop damages resulting.

Rick Anderson 3/25/04
Rick Anderson / date

Jan Anderson 3/25/04
Jan Anderson / date

David J. Finnegan 3/26/04
David J. Finnegan / date

KLF 3/26/04
Karen L. Finnegan / date

Unisa

FARM LEASE

November 21, 2003

This lease is between David J. and Karen L. Finnegan as lessors, and Rick and Jan Anderson as lessees. The term of this lease is three crop years from and after November 2003 thru December 31, 2006. This lease is to continue from year to year, unless written notice is delivered by either lessor or lessee to the other on or before 10-30 each year.

Rick and Jan Anderson agree to lease all tillable acres from David and Karen Finnegan on FSA farm #2755 / The North Half of the Northwest Quarter of Section 24 in St. Charles Township(106) of Winona County / for a total of \$11,500 per year payable a follows:

- * \$5,750 payable to the Finnegan's on or before 4-01-2004 and subsequent years.
- * \$5,750 payable to the Finnegan's on or before 11-01-2004 and subsequent years.

The Anderson's are to receive any and all PFC, MLA, LDP or any other government payments earned by farm #2755 for the crop year 2004 and subsequent years.

The Anderson's agree to farm in a responsible manner (maintaining weed control, etc.); maintaining approved soil conservation guidelines and practices.

Both parties recognize the possibility of manure being applied, in agronomic manners and rates. The applying parties will be responsible for any crop damages resulting.

Rick Anderson 3/25/04
Rick Anderson / date

Jan Anderson 3/25/04
Jan Anderson / date

David J. Finnegan 3/26/04
David J. Finnegan / date

K.L.F. 3/26/04
Karen L. Finnegan / date

FARM LEASE

November 21, 2003

This lease agreement is between Ervin and Shirley Spitzer as lessors, and Rick and Jan Anderson as lessees. The term of this lease is 12-31-03 thru 12-31-05 and continue from year to year, unless written notice is delivered by either lessor or lessee to the other on or before 10-30 each year.

Rick and Jan Anderson agree to lease all tillable acres from Ervin and Shirley Spitzer on FSA farm # 1138 for a total of \$4,500 per year payable as follows:


- * \$2,250 payable to the Spitzer's on or before 4-30-2004 and subsequent years.
- * \$2,250 payable to the Spitzer's on or before 10-30-2004 and subsequent years.

The Anderson's are to receive any and all PFC, MLA, LDP or any other government payments earned by farms #1138 for the crop year 2004 and subsequent years.


The Anderson's agree to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices.

The Spitzer's agree to maintain, and provide proof of such, a farm liability policy; to protect the Anderson's crops from animal damage.

Both parties recognize the possibility of manure being applied, in agronomic manners and rates. With the applying parties to be responsible for any crop damages resulting.

 11/22/03
Rick Anderson / date

 11-28-03
Ervin Spitzer / date

 11/22/03
Jan Anderson / date

 11/28/03
Shirley Spitzer / date

FARM LEASE

This agreement, made and entered into on this 11th day of November, by and between Gary Heap and Linda Heap, whose address is 4853 Rt. 52, Minooka, Illinois, 60447 (hereinafter referred to as "Landlord") and Ricky A. Anderson and Jan L. Anderson whose address is RR 2 Box 150, St. Charles, MN 55972 (hereinafter referred to as "Tenant").

WITNESSETH:

1. **Demise of Property.** Landlord, in consideration of the rents and covenants hereafter mentioned, does hereby demise and lease to Tenant the following real estate, hereinafter referred to as "the premises", consisting of approximately 400 acres, together with buildings and improvements on the property, situated in the County of Winona, State of Minnesota; described as follows:

The East One-Half of the Southwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$) and the West One-Half of the Southeast Quarter (W $\frac{1}{2}$ SE $\frac{1}{4}$) of Section Twenty-Six (26), all in Township One Hundred Six (106) North, Range Ten (10) West.

The Southeast Quarter (SE $\frac{1}{4}$); the East One-Half of the Southwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$) and the Northwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$ SW $\frac{1}{4}$), all in Section Twenty-Five (25), Township One Hundred Six (106) North, Range Ten (10) West, excepting therefrom the following described parcel:

A part of the Southeast Quarter of the Southwest Quarter and a part of the Southwest Quarter of the Southeast Quarter, all in Section 25, Township 106 North, Range 10 West, Winona County, Minnesota, described as follows:

BEGINNING at the southwest corner of the Southeast Quarter of said Southwest Quarter of Section 25; thence easterly along the south line of Section 25 for a distance of 1452.00 feet; thence northerly, parallel with the west line of the Southeast Quarter of said Southwest Quarter, for a distance of 1200.00 feet; thence westerly for a distance of 1452.00 feet to a point in the west line of the Southeast Quarter of said Southwest Quarter; thence southerly along said west line for a distance of 1200.00 feet to the POINT OF BEGINNING. Containing 40.0 Acres, more or less. Above described parcel is subject to the Township Road Right of Way easement over the south side thereof.

2. Length of Tenure. The term of this Lease shall be from November 1, 2002, to December 31, 2012, at which time this Lease shall terminate, subject to Tenants right to match (right of first refusal) any subsequent lease of the subject property through December 31, 2017 as provided under #13 (d) of this lease.
3. Rental Amount and Manner of Payment. Tenant shall pay to Landlord rent in the following amounts and times: \$26,250.00 on April 1, 2003; \$26,250.00 on November 1, 2003 and \$26,250.00 on the first day of each and every April and November until the lease terminates.

Payment of rent shall be made at 4853 Rt. 52, Minooka, Illinois, 60447.

4. Assignment and Subletting, and Mortgaging. Landlord shall have the right to assign this Lease. Tenant shall have the right to assign the Lease. Tenant shall have the right to sublet the house on the premises.
5. Covenants of Tenant. Tenant hereby covenants and agrees with Landlord as follows:
- (a) That he will farm the premises faithfully and in a careful, timely, and businesslike manner.
 - (b) To prevent all unnecessary waste, loss, or damage to the property of the Landlord.
 - (c) That no business other than operation of the farm shall be conducted on the premises by Tenant.
 - (d) That he will control weeds in growing crops, waterways, ditches and roadsides by cultivating, spraying, and mowing, as appropriate.
 - (e) That fertilizer shall be applied in an amount to maintain the present fertility level of the soil.
 - (f) To continue all conservation practices which were used in the prior year, including contour tillage and planting.
 - (g) To keep all ditches, tile drains, tile outlets, grass waterways, and terraces in good repair.
 - (h) To preserve established water course and ditches, and to refrain from any operation that will injure them.
 - (i) To keep the buildings, fences (including hedges), and other improvements on the premises in as good repair and condition as they are when he takes possession - ordinary wear, loss by fire, or unavoidable destruction excepted.
 - (j) To keep the farmstead neat and orderly.
 - (k) To incur no expense for or on account of Landlord without Landlord's written consent and to hold Landlord harmless and to indemnify Landlord as to any such expense incurred without Landlord's written consent.
6. Landlord's Right of Entry. Landlord, his assigns, or representatives shall have the right after October 15th of the last year of this Lease, to enter the premises and to till any ground from which crops have been removed. Landlord or his representatives may enter the premises at any time for the purpose of viewing land, crops, or buildings, for repairs, or for any other reasonable and ordinary purpose.

7. Violation of Terms of Lease. If Tenant shall fail to cultivate the premises as herein agreed, or shall fail to keep any of the covenants contained in this Lease, or shall assign this Lease, or sublet said premises or any part thereof without the written consent of the Landlord, then this Lease shall, at the election of the Landlord, be null and void, and Landlord or his legal representative, shall have the right to take possession of said premises, using force as may be necessary with or without process of law, and all damages growing out of the failure to perform any of the covenants of this Lease shall be added to and become part of the rent, recoverable as rent.
8. Liability for Injury Damage. Landlord shall be held harmless by Tenant from any liability for damages to any person or any property in or upon the premises. It is understood and agreed that all property kept stored or maintained on the property shall be kept stored or maintained at the risk of the Tenant only. Landlord shall not be responsible for any damages suffered by Tenant due to activities on neighboring farms. Tenant is responsible for insuring his farm crops, equipment, and personnel. Tenant shall hold Landlord harmless for any claims against Landlord due to Tenant's activities on the premises.
9. Mineral Rights. It is agreed and covenanted by and between the parties hereto that title to all mineral, oil, metal, gravel, rock, clay, sand, or other mineral rights on the premises shall remain in the Landlord, and this Lease does not convey any rights thereto.
10. Binding Effect. All of the covenants, conditions, and obligations herein contained shall be binding upon and inure to the benefit of the respective successors and assigns to the parties hereto to the same extent as if each successor and assign or in each case were named as a party of this Lease.
11. Relationship of Parties. The relationship of the parties shall be that of Landlord and Tenant, and nothing contained herein shall be deemed or construed by the parties hereto or any third party as creating the relationship of principal and agent, or of partnership or of joint venture between the parties hereto.
12. Variance in Terms. No act of either party or of both parties, shall be construed as a change or modification of the terms and provisions of this Lease or as an extension of this Lease, unless such change, modification, or extension is expressed in writing and signed by both parties.
13. Additional Provisions. The following additional provisions are made part of this Lease, and to the extent such additional provisions conflict with prior provisions of this Lease, such prior provisions are superseded.
 - (a) Notwithstanding any other provisions in this lease, Tenant shall not be required to expend more than \$500.00 in any calendar year for maintenance or repair of Buildings or any other improvements to the property. Said \$500.00 limit per calendar year shall not be cumulative and Landlord shall be responsible for necessary maintenance and repair in excess of \$500.00 per calendar year.

- (b) The parties acknowledge that approximately 3 ? acres is enrolled in the Conservation Reserve Program (CRP) and both parties agree to comply with the term of said program and agree to save and hold harmless the other from any cost or penalty associated with the defaulting parties failure to comply with said provisions. Landlord shall be entitled to receive the CRP payments payable in 2003 and thereafter.
- (c) This lease specifically includes Tenants right to spread or otherwise deposit manure on the land, subject to Tenants agreement to comply with all Federal, State and local laws and regulations regarding said spreading or depositing of manure.
- (d) If landlord, or their successors or assigns, decide to lease out part or all of the subject property between December 31, 2012 and December 31, 2017, Tenant shall have the right to lease the subject property or that part of the subject property to be leased by Landlord by matching the terms offered by any subsequent bona fide potential Tenant which are acceptable to Landlord.

Landlord shall deliver to Tenant a written copy of said proposed lease. Tenant shall have days after delivery of said proposed lease to accept or reject said lease. Tenant shall accept said lease by signing and mailing it to Landlord by certified mail at Landlords address indicated herein within said day period, or to such other address as instructed by Landlord, in writing, when the proposed lease is delivered to Tenant.

Words and phrases herein, including the acknowledgement hereof, shall be constructed as in the singular or the plural, and as the appropriate gender, according to the context.

Each party, by affixing his signature hereto, states that he has read, understood, and agreed to all of the terms of this agreement.

IN TESTIMONY WHEREOF, we have hereunto set our hands.

DATED: 11/11/02

Gary Heap
Landlord - Gary Heap

Linda Heap
Landlord - Linda Heap

DATED: 11-11-02

Ricky A. Anderson
Tenant - Ricky A. Anderson

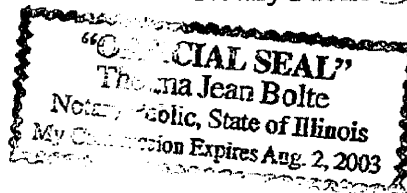
Jan L. Anderson
Tenant - Jan L. Anderson

ILLINOIS
STATE OF MINNESOTA)
) ss
COUNTY OF WINONA)
WILL

On this 11th day of November, 2002, before me appeared Gary Heap and Linda Heap, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Thelma Jean Bolte
Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF WINONA)



On this 11 day of November, 2002, before me appeared Ricky A. Anderson and Jan L. Anderson, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Wayne L. Anderson
Notary Public

This Instrument Was Drafted By:

Ryan & Grinde, Ltd.
Attorneys at Law
313 West Sixth Street
P.O. Box 56
St. Charles, MN 55972
(507) 932-4461

FARM LEASE

April 15, 2004

This lease is between Rick and Jan Anderson as lessors, and Holden Farms Inc. as lessees. The term of this lease is for the 2004 crop year.

Holden Farms agree to lease all tillable acres from Rick and Jan Anderson on FSA farms #3990, #2339, and #1139. These farms lie in sections 22, 27, 25, and 35 of St. Charles township (106) in Winona county. A total of \$10,550 is payable as follows:

- * \$5,275 payable to the Anderson's on 5-15-2004.
- * \$5,275 payable to the Anderson's on 11-1-2004.

Rick and Jan Anderson are to receive any and all PFC, MLA, LDP or any other govmt. payments earned by farms #3990, #2339, and #1139 for the crop year 2004.

Holden Farms agree to farm in a responsible manner (maintaining weed control, etc.); maintaining approved soil conservation guidelines and practices.

Both parties recognize the possibility of manure being applied, in agronomic manners and rates. The applying parties will be responsible for any crop damages resulting.

Rick Anderson 4-15-04
Rick Anderson / date

Barry Holden 5-5-04
Holden Farms / date

Jan Anderson 4-15-04
Jan Anderson / date

Barry Holden 5-5-04
Barry Holden / date

3990
2339
1139

FARM LEASE AGREEMENT

This lease agreement is between Ivene Henry, as lessor, and Rick and Jan Anderson, as lessees. This lease will commence on January 1, 2004 and end on November 30, 2004.

Written notice shall be delivered from Rick and Jan Anderson to Ivene Henry on or before September 1, 2004 as to intent to lease said acres described below for the 2005 crop year.

Rick and Jan Anderson agree to lease 277 acres for \$160.00 per acre for a total of \$44,320.00 payable to Ivene Henry as follows:

- Payment: \$44,320.00 by certified check
- Total Payment Due Date: February 15, 2004
- Payment Address: Ivene Henry
2523 Northridge Lane NE
Rochester, MN 55906
(507) 282-4121



Rick and Jan Anderson shall receive all FSA government payments for the 2004 crop year for the land covered by this lease. The 277 tillable acres covered in this lease includes the Ivene Henry farms:

- Farm #5818: In section 16 (Bettrey Place) and in section 34 (Cady Place)
- Farm #5817: Only the portion in section 14 (Crow Place)

Rick and Jan Anderson agree that all crop residue (i.e. silage, corn stalks, hay, or straw) is the property of Ivene Henry and therefore shall not be removed or sold. They also agree to farm responsibly, using NRCS soil conservation guidelines and practices.

Both parties recognize the possibility of manure being applied to the land. The applying party is responsible for applying manure in a proper manner and at a proper agronomic rate. The applying party is also responsible for any crop damage.

This lease shall automatically and immediately terminate upon failure by the lessees to comply with the stated and agreed to terms, conditions, and requirements of this lease.

Ivene Henry 1-6-04
Lessor Ivene Henry/date

Rick Anderson 1/6/04
Lessee Rick Anderson/date

Jan Anderson 1/6/04
Lessee Jan Anderson/date

*Ad. in
fall*
474-12-3760
3/25/04 Ivene Henry

FARM LEASE

April 1, 2002

This lease agreement is between Larson Bros. (James W. and Gary E.), Lessors, and Rick and Jan Anderson, Lessees. The time frame of this agreement is April 1, 2002 thru December 31, 2004. If owner should sell or otherwise transfer title to the property he will do so subject to the provision of this lease agreement.

Rick and Jan Anderson agree to lease all tillable land owned by Larson Bros., in section 36 of St. Charles township, Winona County Mn. for \$10,650 per crop year.

Rents are due and payable to Larson Bros. as follows:

- * \$5,325 on or before 4-15-2002 and subsequent years.
- * \$5,325 on or before 10-15-2002 and subsequent years.

The landlord's lien provided by law on crops grown or growing shall be the security for the rent herein specified and for the faithful performance of the terms of this lease. If Rick/Jan Anderson fail to pay the rent due or fail to keep the agreements of this lease, all costs and attorney fees of the landlord in enforcing collection or performance shall be added to and become a part of the obligations payable by the tenant.

Rick/Jan Anderson agree to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices. To provide to landlord yearly records of soil tests, fertilizers, herbicides and any chemicals used on this land parcel. Rick/Jan Anderson agrees to establish grass waterways, where mutually agreed.

Rick/Jan Anderson are responsible for all costs in any fence removal and costs associated with bringing pasture land into production: as much as reasonable and mutually agreed upon by both parties.

Rick/Jan Anderson are to receive any and all PFC, MLA, LDP or any other government pymts earned by farm #3167 for the duration of this lease. Participation in other government programs will be discussed and decided on an annual basis and agreed to in writing.

The provision of this lease shall be binding on all heirs/administrators of both parties. This lease does not convey to tenant the right to sublet any part of the farm or to assign the lease to any person or persons, whomsoever.

This lease was drawn to replace the previous agreement dated June 27, 2000.

Rick Anderson 4/1/02
Rick Anderson / date

James W. Larson 4/3/02
James W. Larson / date

Jan Anderson 4/1/02
Jan Anderson / date

Gary E. Larson 4/3/02
Gary E. Larson / date

U.S. 100

FARM LEASE

January 14, 2002

U.S. 100

This lease agreement is between Larson Bros. (James W. and Gary E.), Lessors, and Rick and Jan Anderson, Lessees. The time frame of this agreement is January 14, 2002 thru December 31, 2004. If owner should sell or otherwise transfer title to the property he will do so subject to the provision of this lease agreement.

Rick and Jan Anderson agree to lease all tillable land owned by Larson Bros., in sections 11, 13 and 14 of St. Charles township, Winona County Mn. for \$45,000 per crop year.

Rents are due and payable to Larson Bros. as follows:

- * \$22,500 on or before 4-15-2002 and subsequent years.
- * \$22,500 on or before 10-15-2002 and subsequent years.

The landlord's lien provided by law on crops grown or growing shall be the security for the rent herein specified and for the faithful performance of the terms of this lease. If Rick/Jan Anderson fail to pay the rent due or fail to keep the agreements of this lease, all costs and attorney fees of the landlord in enforcing collection or performance shall be added to and become a part of the obligations payable by the tenant.

Rick/Jan Anderson agree to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices. To provide to landlord yearly records of soil tests, fertilizers, herbicides and any chemicals used on this land parcel. Rick/Jan Anderson agrees to establish grass waterways, where mutually agreed.

Rick/Jan Anderson are responsible for all costs in any fence removal and costs associated with bringing pasture land into production: as much as reasonable and mutually agreed upon by both parties.

Rick/Jan Anderson are to receive any and all PFC, MLA, LDP or any other government pymts earned by farm #1185 for the duration of this lease. Participation in other government programs will be discussed and decided on an annual basis and agreed to in writing.

The provision of this lease shall be binding on all heirs/administrators of both parties. This lease does not convey to tenant the right to sublet any part of the farm or to assign the lease to any person or persons, whomsoever.

Rick Anderson 1-10-02
Rick Anderson / date

James W. Larson 1/14/02
James W. Larson / date

Jan Anderson 1-10-02
Jan Anderson / date

Gary E. Larson 1/14/02
Gary E. Larson / date

Words used in this instrument in the masculine gender include the feminine and neuter, the singular number includes the plural and the plural the singular.

IN TESTIMONY WHEREOF, Both parties have hereunto set their hands the day and year hereinbefore written.

IN PRESENCE OF

Lawrence Putzier Sr
Lawrence Putzier
Kathleen Putzier
Kathleen Putzier
Rick Anderson
Rick Anderson
Jan Anderson
Jan Anderson

STATE OF _____
County of _____ } ss.

On this _____ day of _____, 19____, before me,
_____, within and for said
County and State, personally appeared _____
to me known to be the person
described in and who executed the foregoing instrument, and acknowledged that _____ he _____ executed the same as
free act and deed.

STATE OF _____
County of _____ } ss.

On this _____ day of _____, 19____, before me,
_____, within and for said County, personally appeared
_____, and
to me personally known, who, being each by me duly sworn _____ did say that they are respectively
the _____ President and the _____ of the corporation named in
the foregoing instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument
was signed and sealed in behalf of said corporation by authority of its Board of _____
and said _____ and _____
acknowledged said instrument to be the free act and deed of said corporation.

FARM LEASE

August 7, 2001

This lease agreement is between Lloyd/Linda Wiese and Rick/Jan Anderson (dba Circle A Farms). The time frame of this lease agreement is January 1, 2002 thru December 31, 2004.

Circle A Farms agrees to lease all tillable land on the 199 acre parcel owned by Lloyd and Linda Wiese in sections 10 and 15 in St. Charles township of Winona County for \$22,000 per crop year.

Rent is to be paid to Lloyd and Linda Wiese as follows in 2002, 2003 and 2004 :

- * \$11,000 on or before each April 1st.
- * \$11,000 on or before each October 1st.

The landlord's lien provided by law on crops grown or growing shall be the security for the rent herein specified and for the faithful performance of the terms of this lease. If Circle A Farms fails to pay the rent due or fails to keep the agreements of this lease, all costs and attorney fees of the landlord in enforcing collection or performance shall be added to and become a part of the obligations payable by the tenant.

Circle A Farms agrees to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices. To provide to landlord yearly records of soil tests, fertilizers, herbicides and any chemicals used on this land parcel. Circle A Farms agrees to establish grass waterways, where mutually agreed.


Circle A is responsible for all costs in any fence removal and costs associated with bringing pasture land into production; as much as reasonable and mutually agreed upon by both parties.

Both parties recognize the possibility of manure being applied in agronomic manners and rates. With the applying parties to be responsible for any crop damages resulting.

Circle A Farms is to receive any and all PFC, MLA, LDP or any other government pymts earned by farm #1137, for the duration of this lease. Participation in other government programs will be discussed and decided on an annual basis and agreed to in writing.

Both parties must reach an agreement before September 1, 2004 for any new terms, or extensions of this lease. If this agreement is not reached, both parties are free to negotiate elsewhere. This lease is to be binding on all heirs/administrators of both parties.

This lease does not convey to tenant the right to sublet any part of the farm or to assign the lease to any person or persons whomsoever.


Rick Anderson / date


Jan Anderson / date


Lloyd Wiese / date


Linda Wiese / date

Farm Lease

April 9, 2004

This lease agreement is between Lloyd/Linda Wiese, landlord, and Rick/Jan Anderson (d.b.a. Circle A Farms), tenant. The time frame of this lease agreement is January 1, 2005 thru December 31, 2007.

Circle A Farms agrees to lease all tillable land, 185 acres, on the 199 acre parcel owned by Lloyd and Linda Wiese in sections 10 and 15 in St. Charles township of Winona County for \$25,500 per crop year.

Rent is to be paid to Lloyd and Linda Wiese as follow in 2005, 2006 and 2007:

\$12,750 on or before each April 1st

\$12,750 on or before each October 1st

The landlord's lien provided by law on crops grown or growing shall be the security for the rent herein specified and for the faithful performance of the terms of this lease. If Circle A Farms fails to pay the rent due or fails to keep the agreements of this lease, all costs and attorney fees of the landlord in enforcing collection or performance shall be added to and become a part of the obligations payable by the tenant.

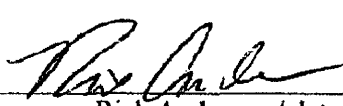


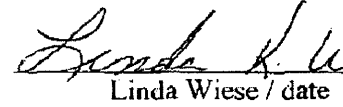
Circle A Farms agrees to farm in a responsible manner (maintaining weed control, etc) maintaining approved soil conservation guidelines and practices. To provide to landlord yearly records of soil tests, fertilizers, herbicides and any chemicals used on this land parcel. Circle A Farms agrees to establish grass waterways, where mutually agreed.

Both parties recognize the possibility of manure being applied in agronomic manners and rates. Application of manure shall be done within the compliance of the State, local and Federal regulations. The tenant will be responsible for all damages that may occur, any fees, fines or filing charges caused directly or indirectly with this action.

Circle A Farms is to receive any and all PFC, MLA, LDP or any other government payments earned as a tenant, 100% operator, for farm #1137, for the duration of this lease. Participation in other government programs will be discussed and decided on an annual basis and agreed to in writing.

Both parties must reach an agreement before September 1, 2007 for any new terms, or extensions of this lease. If this agreement is not reached, both parties are free to negotiate elsewhere. This lease is to be binding on all heirs/administrators of both parties.

This lease does not convey to tenant the right to lease or sublet any part of the farm or to assign the lease to any person or persons whomsoever.

 Rick Anderson / date	 Lloyd Wiese / date
 Jan Anderson / date	 Linda Wiese / date

LEASE

This Indenture, made in duplicate this 26th day of March 2004, by and between Patty J. Buckbee (Lessor) and Ricky A. Anderson (Tenant).

The Lessor in consideration of the rents and covenants hereinafter mentioned, to be paid and performed by Tenant, does hereby demise, lease and let unto the Tenant, and the Tenant does hereby hire and take from the Lessor, the following described premises situated in the City of Utica, County of Winona, State of Minnesota: A parcel of land in the Southwest Quarter (SW1/4) of Section 18 and the Northwest Quarter (NW1/4) of Section 19, Township 106 North, Range 9 West, Winona County, Minnesota, more particularly described as:

All of the Chicago Great Western Railway Company's right-of-way lying between the East line of Center Street, Village of Utica, Minnesota, and the North-South centerline of Section 18, aforesaid and containing 5 acres, more or less.

TERM

To have and to hold, the above premises just as it is, without any liability or obligation on the part of the Lessor of making any alterations, improvements, or repairs of any kind on or about said premises or the buildings thereon, or the fixtures, plumbing, or wiring in, upon or serving same, or the streets, alleys, areas, area-ways, or passages adjoining or appurtenant thereto, for the term of three (3) years from and after the 1st day of June, 2004, to the 31st day of May, 2005, both dates inclusive, for the following purposes and for no other purposes: Grain drying and storage. The grain dryer located on the premises is owned by the tenant. This lease does not include any provisions as to the dryer or its use.

RENT

And the said Tenant agrees to and with said Lessor to pay the Lessor as rent for the above mentioned premises and equipment the sum of Twenty-Four Thousand Three Hundred and 00/100 (24,300.00) Dollars in annual payments commencing November 1, 2001 as follows:

October 15, 2004	\$8,100.00
October 15, 2005	\$8,100.00
October 15, 2006	\$8,100.00

TENANT TO MAINTAIN AND SURRENDER PREMISES IN GOOD ORDER

The tenant also covenants and agrees with the Lessor as follows: The tenant will keep at his own expense said demised premises, and the plumbing, drains, fixtures, and wiring in, upon, servicing or appurtenant to said demised premises, in good repair and in good condition during said term; that he will make no alterations in or additions to said premises, without first obtaining the Lessor's consent, and he will not use or permit anything upon said premises that will increase the rate of insurance thereon, or anything that may be dangerous to life or limb, and he will not in any manner deface or injure said demised premises, or any part thereof, or do or permit anything to be done upon said

premises or in the passageways, alleys, areas, area-ways, sidewalks, or streets adjacent thereto, that will amount to or create a nuisance; and that he will not use said premises or permit the same or any part hereof to be used for lodging or sleeping purposes, or for any purpose contrary to the laws, ordinances, or regulations of the United States of America or the State of Minnesota, or the City of Utica or any rules or regulations of the City of Utica, or of any boards or officers of said city; and the Tenant agrees to return said premises and fixtures peaceably and promptly to the Lessor at the end of the term of this lease, or at any previous termination thereof, in as good condition as the same are now in or may hereafter be put in, loss by fire and ordinary wear expected.

UTILITIES

Tenant shall pay all utilities associated with the leased premises including water, sewer, electricity, gas, steam, telephone, or any other utilities, and to promptly pay all rates, costs and charges for the same.

CONDITION OF PREMISES

The Tenant acknowledges the receipt of the demised premises, fixtures, and improvements and the same to be in good condition, and in good repair, and the taking possession of the demised premises, fixtures, and improvements by the Tenant shall be conclusive evidence that the demised premises, and the plumbing, drains, and fixtures therein, were at the time of so taking possession thereof in good tenantable condition and in all respects satisfactory and acceptable to the Tenant, and in the condition in which they were represented to the Tenant to be.

RELEASE OF LESSOR

The Tenant hereby releases the Lessor from any and all claims arising from any defect in the condition of said demised premises, or the equipment, fixtures, or appliances in or serving said premises, and the building or buildings of which they are a part, and the streets, alleys, areas, area-ways, passages or sidewalks adjoining or appurtenant thereto.

SUBLETTING

The Tenant agrees that he will not sublet the demised premises, fixtures, and other improvements or any part thereof, and will not assign this lease or any interest therein, nor permit such lease to become transferred by operation of law or otherwise, and that no act or acts will be done or suffered whereby the same may be or become sublet or assigned in whole or in part, unless the consent of the Lessor endorsed thereof shall be first obtained in each and every case of underletting or assignment, as they shall from time to time occur or be desired, and that nothing whatever shall be held to be waiver or supersede the necessity of such endorsement.

LIABILITY OF LESSOR AND TENANT

The tenant further agrees that the lessor shall not be liable for any damage, either to person or persons or property or the loss of property sustained by the Tenant, or by any other person or persons due to the demised premises or the buildings of which the demised premises are a part, or the equipment, fixtures, appliances, or machinery in or upon the

same, or the halls, passages, area, area-ways and sidewalks or streets adjoining or appurtenant to the same being or becoming out of repair or defective, or due to the happening of any accident, or due to any act or neglect of the tenant of said building, or by the bursting of pipes, or by the use or misuse of any instrumentality or agency in or connected with the demised premises or the building of which it is a part, or occasioned by any nuisance made or suffered thereon or therein.

The Tenant assumes all liability and obligation on account of all damages on account of the matters and things above referred to and agrees to save the Lessor harmless thereon and therefrom, and to indemnify the Lessor on account thereof. This provision shall apply especially, but not excessively, to damage caused by water, snow, rain, hail, LP gas, propane gas, or odors, electricity and electric current, and by the bursting, stoppage or leaking of pipes or radiators, plumbing, sinks, and fixtures in or about the demised premises or the building of which the demised premises are a part. In case of such damage the lessor may at his option repair such damage, and if such damage has occurred in the demised premises, or on account of the defects in the demised premises against which the Tenant has agreed to make repairs, the Tenant shall thereupon reimburse the Lessor for the costs of repairing such damage, and if the Tenant fails to perform any of the covenants or agreements herein provided to be kept or performed by the Tenant, the Lessor may perform the same and charge the Tenant with the expense of such performance, and the Tenant agrees promptly on demand to repay to the Lessor the cost of such performance by the Lessor.

NOTICE

Any notice from the Lessor to the Tenant, relating to the demised premises or the occupancy thereof, shall be deemed duly served if left at the demised premises addressed to the Tenant.

TENANT TO COMPLY WITH CITY REGULATIONS

The Tenant further covenants and agrees at his own expense to observe and keep all regulations and requirements of the City of Utica or other public authorities in force at the time of the taking possession by the Tenant of the demised premises or which may thereafter be made regarding the condition and conduct of said demised premises, any part thereof, and the sidewalks adjacent thereto, including all building, fire, sanitary, police, or other regulations.

TAKING FOR PUBLIC USE

The Tenant further agrees that if the demised premises, or any part thereof, or any part of the improvements of which they form a part, shall be taken for any street or other public use, or shall during the continuance of this lease be destroyed by the action of the public authorities, then this lease and the term demised shall thereupon terminate.

DESTRUCTION BY FIRE/REPAIR OF PREMISES AFTER FIRE

It is further agreed between the Lessor and the Tenant that if during the term of this lease the demised premises or the improvements thereon shall be injured or destroyed by fire or

the elements, or through any other cause, so as to render the demised premises unfit for occupancy, or makes it impossible to conduct the business of the Tenant thereon, or to such an extent that they cannot be repaired with reasonable diligence within 30 days from the happening of such injury, then the Lessor may terminate this lease and the term herein demised from the date of such damage or destruction, and the Tenant shall immediately surrender the demised premises and all interest therein to the Lessor, and the Tenant shall pay rent only to the time of such surrender and in case of any such destruction or injury the Lessor may re-enter and repossess the demised premises discharged of this lease, and may dispossess all parties then in possession thereof. But if the demised premises can be restored within 60 days from the happening of the injury thereto, and the Lessor within 15 days from the occurrence of such injury elects to so repair or restore said premises within 60 days from the happening of the injury thereto, then this lease shall not end or terminate on account of such injury by fire or otherwise, but the rent shall not run or accrue after the injury and during the process of repairs, and up to the time when the repairs shall be completed, except only that the Tenant shall during such time pay a pro-rata portion of such rent apportioned to the portion of the demised premises which are in condition for occupancy or which may actually occupied during such repairing period. If, however, the demised premises shall be so slightly injured by any cause aforesaid, as not to be rendered unfit for occupancy, then the Lessor shall repair the same with reasonable promptness, and in that case the rent shall not cease or be abated during such repairing period. All improvements or betterments placed by the Tenant at his own expense and not the expense of the Lessor.

INSURANCE

Tenant, at his own cost and expense, shall insure the premises, including buildings and all fixtures, and other improvements against burglary, vandalism, fire, wind, and other perils for their full insurable value. In addition Tenant at his own cost and expense shall obtain public liability insurance with minimum limits of \$100,000/\$300,000 for bodily injury and \$25,000 for property damage in such form and with such insurance companies as shall be satisfactory to Landlord. All insurance policies shall name both the Tenant and Landlord as insured and copies of the policies and the receipts for the payment of premiums shall provide that all losses be paid on behalf of the Tenant and the Landlord as their respective interests appear.

QUIET ENJOYMENT

The Lessor agrees and covenants that the Tenant, on payment of the rent and performing the covenants aforesaid, shall and may peaceably and quietly have, hold, and enjoy the said demised premises for the term aforesaid, except as in this lease otherwise provided.

LIENS

It is understood and agreed with respect to all alterations and repairs, improvements, or alterations to said demised premises, or any part thereof, which shall only be with the consent of the Lessor, that tenant shall and will in each instance save said Lessor and said premises forever harmless and free from all costs, damages, loss and liability of every kind and character which may be claimed, asserted or charged, including liability to adjacent

owner based upon the acts of negligence of said Tenant or his agents, contractor or employees, or upon the negligence of any other person or persons in or about said premises or upon the failure of any or either of them to observe and comply with the requirements of the law or with the regulations of the authorities in the said City of Utica and will preserve and hold the Lessor and said premises forever free and clear from liens for labor and material furnished.

RIGHT OF RE-ENTRY, SUBLEASING & TERMINATION OF lease UNDER BANKRUPTCY

It is further agreed between the Lessor and Tenant that this lease is made upon the condition that if the Tenant shall neglect or fail to keep, observe and perform any of the covenants and agreements contained in this lease which are to be kept, observed or performed by the Tenant, or if the leasehold interest of the Tenant shall be taken on execution or other process of law, or if the Tenant shall petition to be or be declared bankrupt or insolvent according to law, or if three Tenant shall vacate said premises or abandon the same during the term of this lease, then and in any of said cases the Lessor may immediately or at any time thereafter, and without further notice or demand, enter into and upon said premises, or any part thereof, in the name of the whole, and take absolute possession of the same fully and absolutely, without such re-entry working a forfeiture of the rents to be paid and the covenants to be performed by the Tenant for the full term of this lease, and may at the Lessor's election lease or sublet said premises, or any part thereof, on such term and conditions and for such rents and for such time as the Lessor may elect, and after crediting the rent actually collected by the Lessor from such reletting on the rentals stipulated to be paid under this lease by the Tenant from time to time, collect from the Tenant and balance remaining due from time to time on the rent reserved under this lease, charging to the tenant such reasonable expenses as the Lessor may expend inputting the premises in tenantable condition. Or the Lessor may at her election and upon notice to the Tenant declare this lease forfeited and void, and may thereupon re-enter and take full and absolute possession of said premises as the owner thereof, and free persons claiming through or under the Tenant; and such election and re-entry last mentioned shall be and constitute and absolute bar to any right to enter by the Tenant upon the payment of all arrearages of rent and costs after a dispossession under and suit or process for breach of any of the covenants of this lease, and the commencement by the Lessor of any action to recover possession of said premises aforesaid shall be deemed a sufficient notice of election of said Lessor to treat this lease as void and terminated, without the notice obtaining specified unless the Lessor shall in writing, before beginning such proceeding, notify the in writing, before beginning such proceeding, notify the Tenant that after obtaining such possession the Lessor will continue to look to the Tenant for the performance of this lease and will submit the premises on the Tenant's account, in the manner as above provided.

REAL ESTATE TAXES

Real estate taxes shall hereafter be the responsibility of the Lessor, to be made in a timely and orderly fashion.

NOTICE OF VACANCY/RIGHTS OF LESSOR TO TERMINATE

Tenant, upon leaving the premises hereby leased, shall at his own expense remove all stored grain, dirt, rubbish and refuse, and upon Tenant's failure so to do, Lessor may immediately without further notice to Tenant do the same at Tenant's expense, which the Tenant shall immediately pay upon receipt of a bill for same from Lessor.

The Tenant further agrees to give the Lessor notice 30 days before the expiration of this lease of his intention to vacate at the end of this lease otherwise the Lessor will have the option of continuing this lease after the expiration on a month to month basis without a pro rata rental equal to notice to the Tenant. If, however, the Lessor does not elect to so continue this lease and the Tenant remain in said premises after the expiration of the term of this lease, such remaining in possession shall not, except at the option of the Lessor, extend the term of this lease, and three Tenant shall promptly vacate said premises; and if for any reason the Tenant does not promptly vacate the premises at the end of the term, the Tenant agrees to pay the Lessor, for such time as elapses between the end of the term of this lease and the time when the Tenant actually vacates the premises, a pro rata rental equal to one and one-half (1 1/2) times the rent provided to be paid during the term of the lease.

The tenant agrees that no assent, express or implied, by the Lessor to any breach of any of the Tenant's covenants or agreements shall be deemed or taken to be a waiver of any succeeding breach of such covenant.

OPTION TO RENEW/PURCHASE

If the Tenant is not in default under any of the terms of this lease, he shall have the option of renewing said lease, on the same terms and conditions, for an additional three year period, said period being from June 1, 2004, through May 31, 2007, but in no event prior to January 1, 2004.

Tenant is also hereby granted an option to purchase the property leased under this agreement at the expiration of the initial lease only (May 31, 2004). If Tenant exercises this option, the purchase price shall be \$48,000.00 which amount must be paid at the closing, said closing to take place after March 1, 2007, and prior to June 5, 2007. Said \$48,000.00 purchase price shall be in addition to any and all amounts paid by Tenant for rent hereunder or any other amounts paid by Tenant under the terms of this lease. In order to exercise this option, Tenant must deliver to Lessor notice of his election to exercise the option between January 1, 2007 and March 1, 2007.

If Tenant exercises his option to purchase, he shall be responsible for all special assessments assessed against the property. Lessor will Tenant with an Abstract of Title brought up to date including all certificates showing marketable title in the Lessor. Upon payment of the purchase price by Tenant to Lessor, Lessor shall provide Tenant with a Warranty Deed to said real property.

RIGHT OF ENTRY

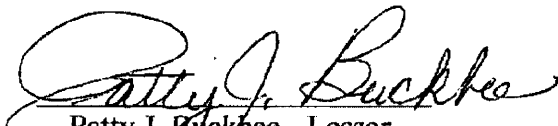
The Lessor shall at all times have the right to enter upon said premises to inspect its condition and at her election to make reasonable and necessary repairs thereon for the protection and preservation thereof, but nothing herein shall be construed to require the Lessor to make such repairs, and the Lessor shall not be liable to the Tenant, or any other person or person, for failure or delay in making said repairs, or for damage or injury to person or property caused in or by the making of such repairs, or the doing of such work. The Lessor shall have the right during the last 60 days of the term of this lease to show said premises to prospective Tenant(s).

HEIRS AND OTHERS

Each of the covenants, provisions, terms and agreements of this lease shall inure to the benefit of and shall be obligatory upon the respective heirs, executors, administrators, successors, and assigns of the Lessor and Tenant respectively.

There are no understandings or agreements outside of this lease.

IN TESTIMONY WHEREOF, the Lessor and Tenant have hereunto set their hands and seals the day and year first written. I, the Tenant, hereby acknowledge that at the time of making and delivery of this lease and mortgage lien, the Lessor delivered to me a full, true, and complete copy of same.


Patty J. Buckbee - Lessor


Ricky A. Anderson - Tenant

FARM LEASE

September 13, 2002

This lease agreement is between Robert and Mary Barta as lessors, and Rick and Jan Anderson as lessees. The term of this lease is 9-13-02 thru 12-31-05 and continue from year to year, unless written notice is delivered by either lessor or lessee to the other on or before 10-30 each year.

Rick and Jan Anderson agree to lease all tillable acres from Robert and Mary Barta on said farm for a total of \$17,000.00 per year payable as follows:


\$8,500.00 payable to the Barta's on or before 4-30-03 and subsequent years.


\$8,500.00 payable to the Barta's on or before 10-30-03 and subsequent years.

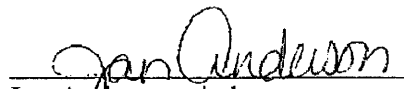
The Anderson's are to receive any and all PFC, MLA, LDP or any other government payments earned by said farm for the crop year 2003 and subsequent years.

The Anderson's agree to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices.

Both parties recognize the possibility of manure being applied, in agronomic manners and rates. With the applying parties to be responsible for any crop damages resulting.

 9-13-02
Rick Anderson / date

 9/13-02
Robert Barta / date

 9/13/02
Jan Anderson / date

 9/13/02
Mary Barta / date

FARM LEASE

April 2, 2001

This five(5) year lease agreement is between Ron Berndt as lessor, and Rick Anderson of Circle A Farms as lessee. This agreement is to commence on 4-02-2001 and continue through 12-31-2005.

Circle A Farms agrees to lease 60 tillable acres from Ron Berndt, located in: E1/2 of SE1/4 of Sec.31 in Utica township of Winona County (*formerly known as the Atlee Shetler Jr. farm*). Rent of \$6,000 is payable on or before 4-15-2001. Rent of \$5000 is payable each May 1st of subsequent years.

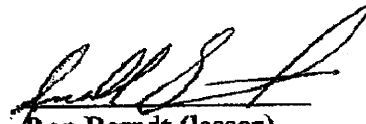
Circle A Farms agrees not to sell or remove any crop residue as corn silage, hay or straw. All crop residue is the property of Ron Berndt.

Circle A Farms is to receive any and all PFC, MLA, LDP or any other government pymts. earned by farm #~~123~~ for the crop year 2001 and subsequent years.

Circle A Farms agrees to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices.

The provisions of this lease shall be binding upon the heirs, executors, administrators, and successors of both lessor and lessee in like manner as upon the original parties, except as provided by mutual written agreement.


Rick Anderson (lessee)


Ron Berndt (lessor)

Date: 4-4-01

65 acres
w/62 tillable ac

FARM LEASE AND OPTION TO PURCHASE

THIS AGREEMENT is made on the 22 day of October, 2003, by and between Roy Montgomery, Lessor, and Ricky A. Anderson and Jan L. Anderson of the County of Winona, State of Minnesota, Lessee.

WITNESSETH, that Lessor, in consideration of the rents and covenants hereinafter mentioned, does hereby demise, lease, and let unto the Lessee, and the Lessee does hereby hire and take from the Lessor, the following described premises (hereafter called "the Property"), situated in the County of Winona and State of Minnesota:

The following described parcel, consisting of approximately 65 acres,
The south 49 acres of the East One-half of the Northeast Quarter (E ½ NE ¼) of Section Twenty-two (22); and that part of the east 62 acres of the East One-half of the Southeast Quarter (E ½ SE ¼), all in Section Twenty-two (22), in Township One Hundred Six (106) North, of Range Ten (10) West which lies north of the Dakota, Minnesota and Eastern Railroad Company rail line;

TO HAVE AND TO HOLD, the above rented premises unto the Lessee, lessee's heirs and assigns, subject to the conditions and limitations hereinafter mentioned, for and during the full term of three crop years from and after January 1, 2004, the term of the lease portion of this agreement ending on December 31, 2006.

Lessee shall pay as rent for the above mentioned premises, for and during the term of this lease, the sum of \$35,400.00 payable as follows: \$5,900.00 due and payable on April 1, 2004, and \$5,900.00 due and payable on October 15, 2004, and \$5,900.00 due and payable of the 1st day of each and every April and the 15th day of each and every October during the term of this lease until October 15, 2006 when the last such installment shall be paid. In addition, as part of the rent Lessee agrees to pay directly to Lessor the real estate taxes due and payable during each year of possession as follows: The first half of the real estate taxes shall be due each year on or before May 1; the second half on the real estate taxes shall be due each year on or before November 1.

In consideration of mutual promises and covenants contained herein, the parties further agree as follows:

1. **OPERATION.** Lessee will farm the Property according to the best farming practices in its locality and will maintain current conservation practices and methods, as approved by FSA to preserve and retain existing corn base and other government programs. Lessee agrees to provide all tools, implements, machinery and hired help necessary to that end. There will be no payback on fall plowing.
2. **SEED HARVESTING.** Lessee will use on the Property only the best seed available and will promptly pay all harvesting bills during said term.
3. **WEEDS.** Lessee will keep the Property free from weeds, and destroy same before seeds ripen by spraying herbicides or otherwise.
4. **IMPROVEMENTS.** Lessee will accept all fences and other improvements on the premises as they now are, or any additions thereto, and will carefully care for and protect the same from fire, wind and other hazards, and will keep the same clean and in repair, without demand upon or expense to the Lessor, the usual wear, inevitable accidents, and loss by fire, lightning, heavy wind, or tornado excepted, and Lessor shall not be liable for failure of the water supply, nor shall the rental be abated therefore;
5. **UNLESS THERE IS A DEFAULT.** Lessee may retain possession of all farm produce and may harvest, process, store and use it in any lawful manner not inconsistent with the agreements herein.
6. **DEFAULT.** Lessee shall be in default: (a) upon nonpayment, when due, of any amount payable hereunder or failure to observe or perform any terms hereof; or (b) when lessee voluntarily files for bankruptcy or a proceeding is instituted by any creditor against Lessee for involuntary bankruptcy or receivership for the benefit of creditors, or any proceeding is instituted by or against Lessee alleging that such Lessee is insolvent or unable to pay debts as they mature; (c) if Lessee is in default under the terms of any note, lease or contract for deed described under paragraph #11.3 of this lease and option. No waiver by Lessor of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion.
7. **LESSOR'S RIGHT TO MORTGAGE.** Lessor reserves the right to place a mortgage on the premises during the term of this lease and option agreement provided (1) such mortgage is subject to this lease, (2) the terms of this mortgage shall not during the term of this lease and throughout the term of the option to Purchase exceed the total sum of \$132,800.00, (3) the terms of this mortgage shall include notice to Lessee herein of any notice of default served upon the mortgagor, and (4) Lessee shall have the right to cure any default arising under such mortgage or debt secured thereby, and apply the amount paid to cure the default to amounts due hereunder.
8. **LESSOR'S SECURITY INTEREST IN CROPS.** As security for payment of the rents herein specified and the faithful performance and strict fulfillment of all of the covenants of the Lessee, the Lessee does hereby grant a security interest to the Lessor in all crops grown or growing on the premises during the term of this Lease and in product and contract rights with respect thereto and all proceeds of each. Upon any default on the part of the Lessee in paying said rent or in performing any of the covenants of this Lease, and at any time thereafter, Lessor shall have, in addition to the right and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said crops and make them available to Lessor at a place designated by the Lessor, as reasonably convenient to

- both parties. Expenses of retaking, holding, preparing for sale, selling and alike, including reasonable attorney's fees and legal expenses incurred by Lessor shall be paid by Lessee.
9. **NO REMOVAL OF GRAIN OR PRODUCE UNTIL PAYMENT OF RENT.** Without the express written consent of Lessor, Lessee shall not remove any of the grain or produce raised on the premises during the term of this Lease, nor sell the same or any part thereof until the rent herein specified shall be fully paid. If any grain or produce raised on said premises during the term of the Lease shall be removed or attempted to be removed by any person or persons before payment of said rent, or if Lessee should sell or attempt to sell said grain or produce, or any part thereof, or if the grain or produce raised on the premises shall be claimed or attached or levied upon by execution or claimed by any other person or persons before the rent shall be fully paid, and upon the happening of any such contingency, the rent shall immediately become due and payable and Lessor or his legal representative shall have the right to enter the premises and take possession of said grain or produce, where ever they may be found, to remove the grain or produce and sell the same or any part thereof at private or public sale, or if the grain or produce shall not be sufficiently mature for harvesting, to cultivate the same and to preserve and protect this same until it shall be fit for harvest, and then to harvest and sell the same or any part thereof, at private or public sale, and apply the proceeds thereof to the payment of rent according to the provisions of this Lease.
10. **PROPERTY INSURANCE.**
- 10.1 **Insured Risks And Amount.** Lessee shall keep all buildings, improvements, and fixtures, if any, now or later located on or a part of the Property insured against loss by fire, extended coverage perils, vandalism and malicious mischief for at least the amount of full insurable value.
- 10.2 **Other Terms.** The insurance policy shall contain a loss payable clause in favor of Lessor which provides that Lessor's right to recover under the insurance shall not be impaired by any acts or omissions of Lessee or Lessor, and that Lessor shall otherwise be afforded all rights and privileges customarily provided an owner.
- 10.3 **Notice Of Damage.** In the event of damage to the Property by fire or other casualty, Lessee shall promptly give notice of such damage to Lessor and the insurance company.
- 10.4 **Liability.** Lessor shall be free from liability and claims for damages by reason of injuries occurring on or after the date of this lease to any person or persons or property while on or about the Property. Lessee shall defend and indemnify Lessor from all liability, loss, costs and obligations, including reasonable attorneys' fees on account of or arising out of any such injuries. However, Lessee shall have no liability or obligation to Lessor for such injuries which are caused by the negligence or intentional wrongful acts or omissions of Lessor.
- 10.5 **Liability Insurance.** Lessee shall, at Lessee's own expense, procure and maintain liability insurance against claims for bodily injury, death and property damage occurring on or about the Property in amounts reasonably satisfactory to Lessor and naming Lessor as an additional insured.
11. **OPTION TO PURCHASE.** As part of the consideration for this agreement, Lessor grants to lessee the exclusive right and option ("The Option") upon the terms and conditions hereinafter set forth, to purchase the Property, including its improvements and any improvements made during the lease term under the following terms:

- 11.1 Term. The option shall be exercised not sooner than January 1, 2005, and not later than November 1, 2006. If Lessee fails to give notice of exercise of the option to Purchase on or before November 1, 2006, the option shall then terminate and be void.
- 11.2 Exercise of Option. The option granted herein may be exercised by Lessee's written notice to Lessor in the manner provided herein, post-marked or hand-delivered to Lessor on or before the dated of expiration thereof.
- 11.3 Default. Lessee must cure any and all conditions of default under the terms of this lease prior to closing on the sale pursuant to the option. In addition, in order to exercise this option, lessee must have paid in full, prior to the exercise of this option, all amounts due under that certain contract for deed, as amended, dated February 18, 2002, and recorded in the office of County Recorder, Winona County, Minnesota on March 7, 2002 as Document No. 452298. In addition, to exercise this option, Lessor must have paid in full all amounts owed under the following described three notes:
 - A) Note executed by Rick Anderson and Jan Anderson in favor of Montgomery Realty Employees Pension Plan for the Benefit of Roy Montgomery, dated April 3, 2003 in the amount of \$263,000.00.
 - B) Note executed by Rick Anderson and Jan Anderson in favor of Roy Montgomery, dated April 21, 2003 in the amount of \$217,750.00.
 - C) Note executed by Rick Arthur Anderson and Jan Lee Anderson in favor of ADM-Benson Quinn dated June 25, 2003, in the original amount of \$1,175,000.00

In addition, in order to exercise this option, Lessee must not be in default under that certain lease and option dated December 21, 2001, and recorded January 15, 2002, as Document No. 450179 as subsequently amended.
- 11.4 Price. The option price is \$132,800.00. Rent shall be prorated until date of closing based upon an annual rent of \$11,800.00 and upon a 12-month calendar year (\$983.33 per month).
- 11.5 Costs. Lessee shall pay all closing costs of Lessor associated with or incident to the exercise of the option and the conveyance of the Property pursuant to the option, including, but not limited to, attorneys' fees, deed tax and abstracting expense.
- 11.6 Closing. Closing shall be held within 60 days following the date of exercise of the option, but in any event shall not be later than December 30, 2006.
- 11.7 Warranties of Title. Upon Lessee's exercise of the option and closing thereon, Lessor shall convey title by limited warranty deed warranting only that Lessor has not made, done, executed or suffered any act or thing whereby the Property or any part thereof, then or at any time thereafter, shall or may be imperiled, charged or encumbered in any manner. Lessor shall not be required to make any other warranties of title. Upon exercise of the option, Lessee shall receive the abstract to be continued at his own expense at least 30 days prior to closing.
12. CLOSING COSTS. As additional consideration, Lessee agrees to pay all closing costs of Lessor with respect to the purchase of the Property from Lessor, including, but not limited to attorneys' fees, deed tax and abstracting expense.
13. TERMINATION. If Lessee fails to pay any amount due hereunder, for rent, taxes, or any other obligation, within thirty (30) days of the date due, then this agreement, including,

but not limited to, the option to purchase granted hereunder, shall terminate without further notice to lessee.

14. **PARTIES' RIGHTS TO ASSIGN OR SUBLET.** Lessor has the right to assign his interest in this property and this lease and option to a third party. Lessee does not have the right to assign his interest in this lease and option nor sublet any part of said land to a third party, except that Lessee may sublet the house on the property.

15. **MISCELLANEOUS.**

- 15.1 **Notices.** All notices, requests, demands, or other communications hereunder shall be in writing and shall be deemed to have been given three (3) days subsequent to mailing by certified or registered mail with postage prepaid, addressed:

To Lessee:

Ricky A. Anderson and Jan L. Anderson
RR 2 Box 150
St. Charles, MN 55972

To Lessor:

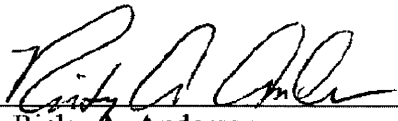
Roy Montgomery
645 Broadway East
Plainview, MN 55964

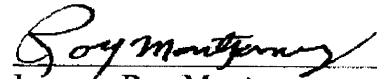
- 15.2 **Benefit.** This agreement shall bind and inure to the benefit of the parties hereto and their respective representatives, successors and permitted assigns.
- 15.3 **Entire Agreement.** This Agreement embodies the entire understanding between the Lessor and Lessee; shall supersede all prior understandings related to the subject matter hereof; and cannot be amended, altered, enlarged, supplemented, abridged, modified, nor any provisions waived, except by writing duly signed by the party affected.
- 15.4 **Governing Law.** This agreement shall be governed by and construed according to the laws of the State of Minnesota.
- 15.5 **Counterparts.** The option may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- 15.6 **Headings and Captions.** The headings and captions in all paragraphs and sections of this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.
16. **GOVERNMENT PAYMENTS.** Lessee shall be entitled to all deficiency payments and proceeds from any other government program for which Lessee qualifies through his own agricultural activities and application therefore on the above-described land.

RECEIPT FOR COPY

The undersigned Lessee and Lessor hereby acknowledge receipt of a true, correct and complete copy of the foregoing Lease and Option to Purchase.

IN TESTIMONY WHEREOF, both parties have hereunto set their hands the day and year first above written.

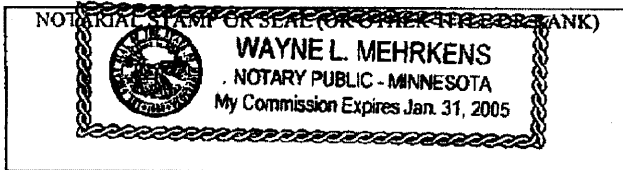

Lessee - Ricky A. Anderson


Lessor - Roy Montgomery


Lessee - Jan L. Anderson

STATE OF MINNESOTA)
) SS
COUNTY OF WINONA)

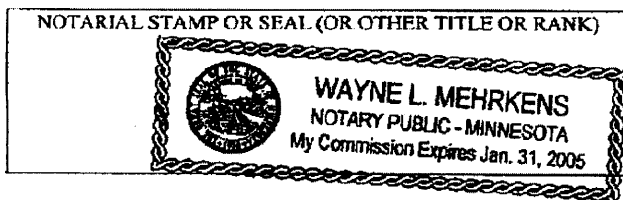
The foregoing instrument was acknowledged before me on the 22 day of October, 2003 by Ricky A. Anderson and Jan L. Anderson, husband and wife, Lessee.




Signature of Person Taking Acknowledgement

STATE OF MINNESOTA)
) SS
COUNTY OF WINONA)

The foregoing instrument was acknowledged before me on the 22 day of October, 2003 by Roy Montgomery, a single person, Lessor.




Signature of Person Taking Acknowledgement

THIS INSTRUMENT WAS DRAFTED BY (NAME AND ADDRESS)
RYAN & GRINDE, LTD.
Attorneys at Law
313 West Sixth Street / P.O. Box 356
St. Charles, MN 55972
(507) 932-4461

Tax Statements for real property described in this instrument should be sent to:

120 acres
79.4 tillable ac.

FARM LEASE AND OPTION TO PURCHASE

THIS AGREEMENT is made on Dec 21 2001 by and between Montgomery Realty Employees Pension Plan for the benefit of Roy Montgomery, Lessor, (whether one or more) and Ricky A. Anderson and Jan L. Anderson of the County of Winona, State of Minnesota, Lessee (whether one or more).

WITNESSETH, that Lessor, in consideration of the rents and covenants hereinafter mentioned, does hereby demise, lease, and let unto the Lessee, and the Lessee does hereby hire and take from the Lessor, the following described premises (hereafter called "the Property"), situated in the County of Winona and State of Minnesota:

The East One-Half of the East One-Half of the Northwest Quarter (E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$) and the West One-Half of the Northeast Quarter (W $\frac{1}{2}$ NE $\frac{1}{4}$) of Section Thirty-Five (35), all in Township One Hundred Six (106) North, Range Ten (10) West.

TO HAVE AND TO HOLD, the above rented premises unto the Lessee, lessee's heirs and assigns, subject to the conditions and limitations hereinafter mentioned, for and during the full term of five crop years from and after January 1, 2002, the term of the lease portion of this agreement ending on December 31, 2006.

Lessee shall pay as rent for the above mentioned premises, for and during the term of this lease, the sum of \$42,000.00 payable as follows: \$8,400.00 due and payable on March 15, 2002, and \$8,400.00 on March 15th of each year thereafter until March 15, 2006 when the last such installment shall be paid. In addition, as part of the rent Lessee agrees to pay directly to Lessor the real estate taxes due and payable during each year of possession as follows: The first half of the real estate taxes shall be due each year on or before May 1; the second half on the real estate taxes shall be due each year on or before November 1.

In consideration of mutual promises and covenants contained herein, the parties further agree as follows:

1. **OPERATION.** Lessee will farm the Property according to the best farming practices in its locality and will maintain current conservation practices and methods, as approved by FSA to preserve and retain existing corn base and other government programs. Lessee agrees to provide all tools, implements, machinery and hired help necessary to that end. There will be no payback on fall plowing.
2. **SEED HARVESTING.** Lessee will use on the Property only the best seed available and will promptly pay all harvesting bills during said term.
3. **WEEDS.** Lessee will keep the Property free from weeds, and destroy same before seeds ripen by spraying herbicides or otherwise.
4. **IMPROVEMENTS.** Lessee will accept all fences and other improvements on the premises as they now are, or any additions thereto, and will carefully care for and protect the same from fire, wind and other hazards, and will keep the same clean and in repair, without demand upon or expense to the Lessor, the usual wear, inevitable accidents, and loss by fire, lightning, heavy wind, or tornado excepted, and Lessor

- shall not be liable for failure of the water supply, nor shall the rental be abated therefore;
5. **UNLESS THERE IS A DEFAULT.** Lessee may retain possession of all farm produce and may harvest, process, store and use it in any lawful manner not inconsistent with the agreements herein.
 6. **DEFAULT.** Lessee shall be in default: (a) upon nonpayment, when due, of any amount payable hereunder or failure to observe or perform any terms hereof; or (b) when lessee voluntarily files for bankruptcy or a proceeding is instituted by any creditor against Lessee for involuntary bankruptcy or receivership for the benefit of creditors, or any proceeding is instituted by or against Lessee alleging that such Lessee is insolvent or unable to pay debts as they mature. No waiver by Lessor of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion.
 7. **LESSOR'S RIGHT TO MORTGAGE.** Lessor reserves the right to place a mortgage on the premises during the term of this lease and option agreement provided (1) such mortgage is subject to this lease, (2) the terms of this mortgage shall not during the term of this lease and throughout the term of the option to Purchase exceed the total sum of \$105,000.00, (3) the terms of this mortgage shall include notice to Lessee herein of any notice of default served upon the mortgagor, and (4) Lessee shall have the right to cure any default arising under such mortgage or debt secured thereby, and apply the amount paid to cure the default to amounts due hereunder.
 8. **OPTION TO PURCHASE.** As part of the consideration for this agreement, Lessor grants to lessee the exclusive right and option ("The Option") upon the terms and conditions hereinafter set forth, to purchase the Property, including its improvements and any improvements made during the lease term under the following terms:
 - 8.1 **Term.** The option shall be exercised not sooner than January 1, 2005, and not later than November 1, 2006. If Lessee fails to give notice of exercise of the option to Purchase on or before November 1, 2006, the option shall then terminate and be void.
 - 8.2 **Exercise of Option.** The option granted herein may be exercised by Lessee's written notice to Lessor in the manner provided herein, post-marked or hand-delivered to Lessor on or before the dated of expiration thereof.
 - 8.3 **Default.** Lessee must cure any and all conditions of default under the terms of this lease prior to closing on the sale pursuant to the option.
 - 8.4 **Price.** The option price is \$105,000.00. Rent shall be prorated until date of closing. If closing is after March 15 of the calendar year and the \$8,400.00 annual rent has been paid for that calendar year, Lessee shall be given a credit against the sale price which equals \$8,400.00 divided by 12 months and multiplied times the number of months or partial months remaining after closing in that calendar year. If closing is before March 15 of the calendar year and the \$8,400.00 annual rent has not been paid for that year, Lessee shall pay, in addition to the option price, the prorated rent attributed to the calendar year in which the closing takes place. Said amount shall equal \$8,400.00 divided by 12 months and multiplied times the number of months or partial months which have passed in the calendar year of closing up until the day of closing. If the option is exercised and purchase closed in the year 2005, no rent shall be due in the year 2006.

- 8.5 Costs. Lessee shall pay all closing costs of Lessor associated with or incident to the exercise of the option and the conveyance of the Property pursuant to the option, including, but not limited to, attorneys' fees, deed tax and abstracting expense.
- 8.6 Closing. Closing shall be held within 60 days following the date of exercise of the option, but in any event shall not be later than December 30, 2006.
- 8.7 Warranties of Title. Upon Lessee's exercise of the option and closing thereon, Lessor shall convey title by limited warranty deed warranting only that Lessor has not made, done, executed or suffered any act or thing whereby the Property or any part thereof, then or at any time thereafter, shall or may be imperiled, charged or encumbered in any manner. Lessor shall not be required to make any other warranties of title. Upon exercise of the option, Lessee shall receive the abstract to be continued at his own expense at least 30 days prior to closing.
9. CLOSING COSTS. As additional consideration, Lessee agrees to pay all closing costs of Lessor with respect to the purchase of the Property from Lessee, including, but not limited to attorneys' fees, deed tax and abstracting expense.
10. TERMINATION. If Lessee fails to pay any amount due hereunder, for rent, taxes, or any other obligation, within thirty (30) days of the date due, then this agreement, including, but not limited to, the option to purchase granted hereunder, shall terminate without further notice to lessee.
11. PARTIES' RIGHTS TO ASSIGN OR SUBLET. Lessor has the right to assign his interest in this property and this lease and option to a third party. Lessee does not have the right to assign his interest in this lease and option nor sublet any part of said land to a third party, except upon written consent from Lessor.
12. MISCELLANEOUS.
- 12.1 Notices. All notices, requests, demands, or other communications hereunder shall be in writing and shall be deemed to have been given three (3) days subsequent to mailing by certified or registered mail with postage prepaid, addressed:

To Lessee:

Ricky A. Anderson and Jan L. Anderson
RR 2 Box 150
St. Charles, MN 55972

To Lessor:

Montgomery Realty Employees Pension Plan for the benefit of Roy Montgomery
645 Broadway East
Plainview, MN 55964

12.2 Benefit. This agreement shall bind and inure to the benefit of the parties hereto and their respective representatives, successors and permitted assigns.

12.3 Entire Agreement. This Agreement embodies the entire understanding between the Lessor and Lessee; shall supersede all prior understandings related to the subject matter hereof; and cannot be amended, altered, enlarged, supplemented, abridged,

modified, nor any provisions waived, except by writing duly signed by the party affected.

12.4 Governing Law. This agreement shall be governed by and construed according to the laws of the State of Minnesota.

12.5 Counterparts. The option may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

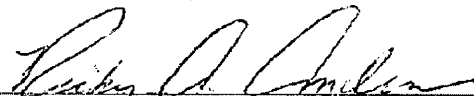
12.6 Headings and Captions. The headings and captions in all paragraphs and sections of this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

13. GOVERNMENT PAYMENTS. Lessee shall be entitled to all deficiency payments and proceeds from any other government program for which Lessee qualifies through his own agricultural activities and application therefore on the above-described land.

RECEIPT FOR COPY

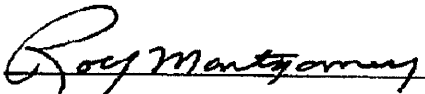
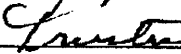
The undersigned Lessee and Lessor hereby acknowledge receipt of a true, correct and complete copy of the foregoing Lease and Option to Purchase.

IN TESTIMONY WHEREOF, both parties have hereunto set their hands the day and year first above written.


Lessee - Ricky A. Anderson

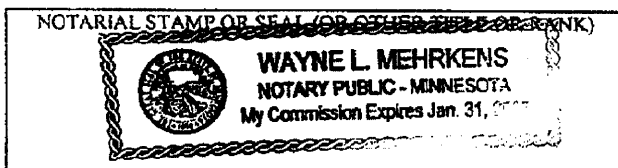
Lessor - Montgomery Realty Employees
Pension Plan for the benefit of Roy Montgomery



Lessee - Jan L. Anderson

By: 
Its: 

STATE OF MINNESOTA)
)SS
COUNTY OF Winona)

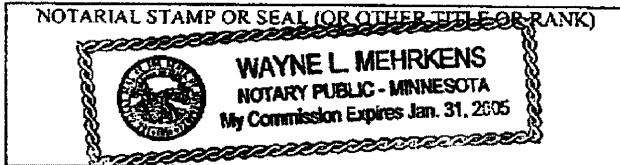
The foregoing instrument was acknowledged before me on the 21 day of December, 2001 by Ricky A. Anderson and Jan L. Anderson, husband and wife, Lessee.




Signature of Person Taking Acknowledgement

STATE OF MINNESOTA)
)SS
COUNTY OF)

The foregoing instrument was acknowledged before me on the 21 day of December, 2001 by
Roy Montgomery, Trustee of the
Montgomery Realty Employees Pension Plan for the benefit of Roy Montgomery



Wayne L. Mehrkens
Signature of Person Taking Acknowledgement

THIS INSTRUMENT WAS DRAFTED BY (NAME AND ADDRESS)
RYAN & GRINDE, LTD.
Attorneys at Law
313 West Sixth Street / P.O. Box 356
St. Charles, MN 55972
(507) 932-4461

Tax Statements for real property described in
this instrument should be sent to:

120 acres

AMENDMENT TO FARM LEASE AND OPTION TO PURCHASE

This is an amendment to that certain Farm Lease and Option to Purchase between Montgomery Realty Employees Pension Plan for the benefit of Roy Montgomery (Lessor) and Ricky A. Anderson and Jan L. Anderson (Lessees) dated December 21, 2001, and covering the following described property:

The East One-Half of the East One-Half of the Northwest Quarter ($E\frac{1}{2} E\frac{1}{2} NW\frac{1}{4}$) and the West One-Half of the Northeast Quarter ($W\frac{1}{2} NE\frac{1}{4}$) of Section Thirty-Five (35), all in Township One Hundred Six (106) North, Range Ten (10) West.

WHEREAS, the parties entered into a Farm Lease and Option to Purchase dated December 21, 2001, covering the hereinbefore described 120 acres; and,

WHEREAS, the option to purchase contained therein was subsequently terminated; and,

WHEREAS, the parties have agreed to reinstate the option to purchase and change the rental amount.

NOW THEREFORE, for one dollar and other good and valuable consideration, the parties hereto hereby agree that the hereinbefore described farm lease and option is amended as follows:

1. The parties agree that effective with the payment due March 15, 2004, the annual rental due shall be reduced from \$8,400.00 to \$4,200.00 so that the total rent paid over the term of the lease shall be \$29,400.00, not \$42,000.00.
2. The parties agree that the option to purchase is hereby reinstated under the original terms of the December 21, 2001 lease and option but that the pro ration of rent under #8.4 shall be based upon \$4,200.00 a year and not \$8,400.00.
3. The parties agree that a default under the terms of the lease between Roy Montgomery (Lessor) and Ricky A. Anderson and Jan L. Anderson (Lessees) covering 65 acres

described on the attached Exhibit "A", said lease dated October 22, 2003; shall be deemed to be a default under the December 21, 2001 Farm Lease and Option to Purchase, as amended.

4. Except as herein changed or amended, all other terms and conditions of the December 21, 2001 lease and option shall remain in full force and effect.

10-22-03
Date

Roy Montgomery - Trustee
Roy Montgomery, as trustee for Montgomery Realty Employees Pension Plan for the benefit of Roy Montgomery, Lessor

10-22-03
Date

Ricky A. Anderson
Ricky A. Anderson, Lessee

10-22-03
Date

Jan L. Anderson
Jan L. Anderson, Lessee

63.6 acres tillable / \$⁴5062.50 per year
\$ 79.60 / ac.

LEASE AGREEMENT

I Purdy Wright, owner on farm # 1134, do hereby certify that Ricky and Jan Anderson will be operating my farm, located at 106 township, section 36 for the 2004 crop year on a cash lease basis. By signing this statement, I agree that the above-mentioned operator(s) will be receiving all advance payments and subsequent farm program benefits applicable to current year Farm Program.

I am aware of the fact that if the producer is unable to operate the farm for the current year, payments will not be re-issued to another person until refunded by the operator named above.

If this form is found to be inaccurate, the result will be forfeiture of all program benefits including loan eligibility for the farm.

Purdy Wright, by Minnie E. Wright 12-22-03
Owner signature date

15833 Sandstone Rd. 567-932-4197
address Utica, Mo. 65979 phone number

[Signature] 12-22-03
Operator signature date

25795 City of 37
[Signature] 932-3511
address phone number

RENTAL ASSIGNMENTS

April 15, 2004

Rick & Jan Anderson are hereby assigning, to Holden Farms Inc., their rights and interest in the following farms: Winona County FSA#'s = 2339, 1139, 2755, 1185, 1138, 1137, 1323, 964, and 3767 - Olmsted County FSA#'s = 5818, 5817 and 1167.

In obtaining these rights and interests Holden Farms Inc. agree to meet all obligations attached in a timely and pleasing manner.

This assignment is for the 2004 crop season and shall be binding upon the heirs, executors, administrators, and successors of the Anderson's and the Holden's in like manner as upon the original parties, except as provided by mutual written consent.

Rick Anderson 4-15-04
Rick Anderson / date

Holden Farm Inc. 5-5-04
Holden Farms / date

Jan Anderson 4-15-04
Jan Anderson / date

Barry Holden 5-5-04
Barry/Holden / date

FARM LEASE

December 1, 2001

This lease agreement is between Holden Farms Inc. and Rick/Jan Anderson (dba Circle A Farms). The time frame of this lease agreement is January 1, 2002 thru December 31, 2004.

Rick/Jan Anderson agrees to lease all tillable land on the 209 acre parcel owned by Holden Farms Inc. in sections 5 and 6 of St. Charles township of Winona County for \$20,000 per crop year.

Rent is to be paid to Holden Farms Inc. as follows in 2002, 2003, and 2004 :

* \$10,000 on or before each May 1st.

* \$10,000 on or before each November 1st.

The landlord's lien provided by law on crops grown or growing shall be the security for the rent herein specified and for the faithful performance of the terms of this lease. If Rick/Jan Anderson fail to pay the rent due or fails to keep the agreements of this lease, all costs or attorney fees of the landlord in enforcing collection or performance shall be added to and become a part of the obligations payable by the tenant.

Rick/Jan Anderson agree to farm in a responsible manner (maintaining weed control, etc.) maintaining approved soil conservation guidelines and practices. To provide to landlord yearly records of soil tests, fertilizers, herbicides and any chemicals used on this land parcel. Rick/Jan Anderson agree to establish grass waterways, where mutually agreed.


Rick/Jan Anderson are responsible for all costs in any fence removal and costs associated with bringing pasture land into production: as much as reasonable and mutually agreed upon by both parties.

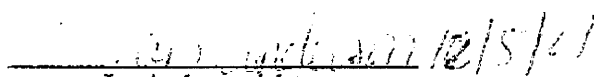
Rick/Jan Anderson are to receive all manure produced from the barns at no monetary cost. Rick/Jan Anderson are responsible for all costs of manure pumping, hauling and application according to MPCA requirements and manure management plans. Both parties recognize there will be manure being applied in agronomic manners and rates, with the applying parties to be responsible for any crop damages resulting.

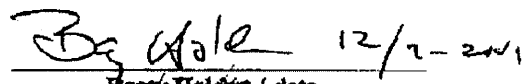
Rick/Jan Anderson are to receive any and all PFC, MLA, LDP or any other government pymts earned by farm #2025, for the duration of this lease. Participation in other government programs will be discussed and decided on an annual basis and agreed to in writing.

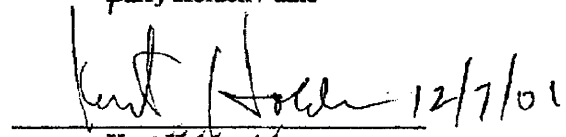
Both parties must reach an agreement before September 1, 2004 for any new terms or extensions of this lease. If this agreement is not reached, both parties are free to negotiate elsewhere. This lease is to be binding on all heirs/administrators of both parties.

This lease does not convey to tenant the right to sublet any part of the farm or to assign the lease to any person or persons whomsoever.


Rick Anderson / date


Jan Anderson / date


Barry Holden / date


Kent Holden / date

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Bky. No.: 04-43949
Chapter 11 Case

Ricky and Jan Anderson,

Debtors.

**MEMORANDUM OF LAW IN SUPPORT OF DEBTOR'S MOTION FOR
ASSUMPTION OF NON RESIDENTIAL REAL PROPERTY LEASES AND RELATED
AGREEMENTS**

The Debtors have requested a hearing in order to obtain court approval to assume various non-residential real property leases set forth in the motion pursuant to 11 U.S.C. § 365(a). These leases are necessary for an effective reorganization and have been considered in working on cash flows and a proposed plan of reorganization.

11 U.S.C. § 365(d)(4) provides:

Notwithstanding paragraphs (1) and (2), in a case under any chapter of this title, if the trustee does not assume or reject an unexpired lease of nonresidential real property under which the debtor is the lessee within 60 days after the date of the order for relief, or within such additional time as the court for cause within the 60-day period fixes, then such lease is deemed rejected, and the trustee shall immediately surrender such nonresidential real property to the lessor.

11 U.S.C. § 365(d)(1) applies to Chapter 7 cases and 11 U.S.C. § 365(d)(2) provides general language authorizing the assumption of executory contracts and unexpired leases of residential real property. The lease of owned land to Holden Farms is also included. The subleases and assignments to Holden Farms are included in the request for assumption since they relate to the other assumed leases.

The Debtors, as Chapter 11 debtors-in-possession, have the powers of a trustee under 11 U.S.C. § 1107(a). The Debtors believe the assumptions are in the best interest of the bankruptcy estate because the assumptions are necessary for the continuation of the Debtors' farm operation considering the scope of that operation. The Debtors also believe that the terms are reasonable.

Therefore, the Court should grant Debtors' motion.

Respectfully submitted,

/e/ Brian L. Boysen

Brian L. Boysen # 0010522 of Counsel to

Kurt M. Anderson # 2148

Attorney for Debtor

P.O. Box 2434

Minneapolis, Minnesota 55402-0434

(612) 333-3185

DECLARATION OF SERVICE BY MAIL

Brian L. Boysen declares under penalty of perjury that on September 13, 2004, he served the following:

NOTICE OF HEARING AND MOTION FOR ASSUMPTION OF NON RESIDENTIAL REAL PROPERTY LEASES AND RELATED AGREEMENTS

Memorandum of Law
Proposed Order
Proof of Service

on the Service List (see below)

By mailing copies thereof, enclosed in an envelope, first class postage prepaid, and by depositing the same in the United States Mail directed to each entity at the addresses indicated thereon.

VERIFICATION

I hereby declare under penalty of perjury that I have read the foregoing Declaration of Service by U.S. Mail and that the facts stated therein are true and correct.

Executed on: September 13, 2004 /e/ Brian L. Boysen

Service List

RICKY ARTHUR ANDERSON JAN LEE ANDERSON 25795 CTY RD 37 ST CHARLES MN 55972	RIDER BENNETT, LLP WILLIAM P. WASSWEILER ATTORNEY FOR DEERE CREDIT SERVICES, INC. 333 SOUTH SEVENTH STREET SUITE 2000 MINNEAPOLIS, MN 55402	SUMMER BAY PARTNERSHIP 25 TOWN CENTER BLVD STE C CLERMONT FL 34711	LAWRENCE AND KATHLEEN PUTZIER 112 W 5TH ST SAINT CHARLES, MN 55972
PHI FINANCIAL SERVICES INC C/O JOSEPH A WENTZELL 2855 ANTHONY LN S STE 200 ST ANTHONY MN 55418	INTERNAL REVENUE SERVICE SPECIAL PROCEDURES BRANCH 316 N ROBERT ST STOP 5700 ST PAUL MN 55101	ATTN DEBRA DELARIA PHI FINANCIAL SERVICES PO BOX 1050 JOHNSTON IA 50131-9415	LLOYD AND LINDA WIESE 230 EDGEVIEW DR. ROLLINGSTONE, MN 55969
EASTWOOD BANK C/O DUNLAP & SEEGER PA 206 S BROADWAY STE 505 PO BOX 549 ROCHESTER MN 55903-0549	ALTURA STATE BANK 411 MAIN ST NW ALTURA MN 55910	ATTN RON GATZLAFF ALTURA HARDWARE INC PO BOX 186 ALTURA MN 55910	PATTY J. BUCKBEE 320 N CENTER ST. P.O. BOX 435 UTICA, MN 55979
US DEPT OF AGRICULTURE C/O ROYLENE A CHAMPEAUX 600 US COURTHOUSE 300 S 4TH ST MINNEAPOLIS MN 55415	JON WELCH FINANCIAL MANAGEMENT CNSL 6901 VALLEY HIGH RD NW BYRON MN 55920	ATTN ANNE HEDBERG HODGMAN DRAINAGE CO INC 60731 120 TH AVENUE CLAREMONT MN 55924	RON AND MICHELLE BERNDT BLUEBIRD ACRES 16948 COUNTY ROAD 4 UTICA, MN 55979
US TRUSTEE 1015 US COURTHOUSE 300 SOUTH FOURTH STREET MINNEAPOLIS MN 55415	IRS DISTRICT COUNSEL 650 GALTIER PLAZA 175 E 5TH ST ST PAUL MN 55101	CHUCK AND SUE HENRY 2523 NORTHRIDGE LANE NE ROCHESTER, MN 55906	ROY MONTGOMERY 520 SECOND ST SE PLAINVIEW, MN 55964
US ATTORNEY 600 US COURTHOUSE 300 SOUTH FOURTH STREET MINNEAPOLIS MN 55415	EASTWOOD BANK 140 MAIN ST PO BOX 125 ROLLINGSTONE MN 55969	DAVID J. AND KAREN L. FINNEGAN 212 ELM STREET FARMINGTON, MN 55024	MONTGOMERY REALTY EMPLOYEES PENSION PLAN FOR THE BENEFIT OF ROY MONTGOMERY, LESSOR 520 SECOND ST. SE PLAINVIEW, MN 55964
MN DEPT OF REVENUE COLLECTION ENFORCEMENT 551 BANKRUPTCY SECTION PO BOX 64447 ST PAUL MN 55164	NEW HOLLAND CREDIT PO BOX 3600 LANCASTER PA 17604-3600	ERVIN AND SHIRLEY SPITZER 24464 COUNTY ROAD 37 SAINT CHARLES, MN 55972	PURDY AND MINNIE WRIGHT 15833 SANDSTONE DRIVE UTICA, MN 55979
AGRIVENTURE CREDIT CO LLC 12700 W DODGE RD PO BOX 2047 OMAHA NE 68103-2047	SECURITIES & EXCHANGE COMM BANKRUPTCY SECTION 500 W MADISON #1400 CHICAGO IL 60661-2511	ROBERT AND MARY BARTA 325 7TH AVE SE PLAINVIEW, MN 55964	
	HOLDEN FARMS INC 401 S DIVISION STE B PO BOX 257 NORTHFIELD MN 55057	IVENE HENRY 2523 NORTHRIDGE LANE NE ROCHESTER, MN 55906	
		LARSON BROTHERS 14424 RADISSON RD. NE ANDOVER, MN 55304	

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Bky. No.: 04-43949

Chapter 11 Case

Ricky and Jan Anderson,

Debtors.

**ORDER AUTHORIZING ASSUMPTION OF NON RESIDENTIAL REAL PROPERTY
LEASES AND RELATED AGREEMENTS**

The Debtor has moved for authority to assume and assign various non-residential real property leases and to assume related agreements, as follows:

Lessor / Lessee Name and Address (non-debtor party)	Description of Lease (acres are tillable acres)
Chuck and Sue Henry 2523 Northridge Lane NE Rochester, MN 55906	68 acres of land leased to the debtors at \$160 per acre for a total of \$10,880 through 2004, then year to year. Holden farms has sublet this land.
David J. and Karen L. Finnegan 212 Elm Street Farmington, MN 55024	130.7 acres of land leased to the debtors at \$153.02 per acre for a total of \$20,000 through 2006, then year to year. Holden Farms has sublet this land.
Ervin and Shirley Spitzer 24464 County Road 37 Saint Charles, MN 55972	33 acres of land leased to the debtors at \$136.36 per acre for a total of \$4,500 through 2005. Holden Farms has sublet this land
Gary and Linda Heap 4853 Route 52 Minooka, IL 60447-9670	369.2 acres of land leased to the debtors at \$142.20 per acre for a total of \$52,500 through 2012. Holden Farms has sublet this land.
Holden Farms Inc. 401 So. Division, Suite B PO Box 257 Northfield, MN 55057	Holden Farms has rented 89.4 acres of the debtor's owned land at \$118.01 per acre for a total of \$10,550 through 2004
Ivene Henry 2523 Northridge Lane NE Rochester, MN 55906	277 acres of land leased to the debtors at \$160 per acre for a total of \$44,320 through 2004. Holden Farms has sublet this land.
Larson Brothers 14424 Radisson Rd. NE Andover, MN 55304	381.6 acres of land leased to the debtors at \$145.83 per acre for a total of \$55,650 through 2004. Holden Farms has sublet this land.
Lawrence and Kathleen Putzier 112 W 5 th St Saint Charles, MN 55972	150.6 acres of land leased to the debtors at \$132.8 per acre for a total of \$20,000 through 2004. Holden Farms has sublet this land.
Lloyd and Linda Wiese 230 Edgeview Dr. Rollingstone, MN 55969	182 acres of land leased to the debtors at \$120.88 per acre for a total of \$22,000 through 2004. Starting 2005 the rent is \$25,500 annually (\$140.11/acre) Holden Farms has sublet this land.

Lessor / Lessee Name and Address (non-debtor party)	Description of Lease (acres are tillable acres)
Patty J. Buckbee 320 N Center St. P.O. Box 435 Utica, MN 55979	Elevator and Drying Site leased to debtor, Ricky A. Anderson for \$8,100 annually through 2006.
Robert and Mary Barta 325 7 th Ave SE Plainview, MN 55964	115 acres of land leased to the debtors at \$147.83 per acre for a total of \$17,000 through 2005, then year to year. Holden Farms has sublet this land.
Ron and Michelle Berndt Bluebird Acres 16948 County Road 4 Utica, MN 55979	60.8 acres of land leased by Ron Berndt to debtor Rick Anderson of Circle A Farms at \$82.24 per acre for a total of \$5,000 through 2005. Holden Farms has sublet this land.
Roy Montgomery 520 Second St SE Plainview, MN 55964	62 acres of land leased to the debtors at \$190.32 per acre for a total of \$11,800 through 2006. Holden Farms has sublet this land.
Montgomery Realty Employees Pension Plan for the benefit of Roy Montgomery, Lessor 520 Second St. SE Plainview, MN 55964	79.4 acres of land leased to the debtors at \$52.90 per acre for a total of \$4,200 through 2006. Holden Farms has sublet this land.
Purdy and Minnie Wright 15833 Sandstone Drive Utica, MN 55979	63 acres of land leased to the debtors at \$79.60 per acre for a total of \$5,062.50 through 2004. Holden Farms has sublet this land.
Holden Farms Inc. 401 So. Division, Suite B PO Box 257 Northfield, MN 55057	Sublease and assignment document for 2004
Holden Farms Inc. 401 So. Division, Suite B PO Box 257 Northfield, MN 55057	Lease modified prior to filing to be limited to manure removal provisions.

The motion is granted.

So ordered this ____ day of _____, 2004.

Hon. Robert J. Kressel
United States Bankruptcy Judge